

SPECIAL COUNCIL MEETING
May 20, 2013

Members Present: Douglas Baker, Mayor
Donna Fletcher, Deputy Mayor
Samuel Lyons
James Marshall
Jennifer M Horne
Ryan Rudegeair
Garnet Wood

Members Excused: None

In Attendance: E. William Gabrys, City Manager
Tracy Jamieson, Deputy Manager
Brian Spaid, Esq., City Solicitor
Darla Hawke, Recording Secretary
James Greenfield, Esq., General Authority Solicitor
Al Wodzianski, P.E., General Authority Engineer
David Lord, General Authority Chairman
Bob Finch, General Authority Member
Dick O'Polka, O'Polka & Co.
Angela Shields, O'Polka & Co.
Dave MacIntyre, P.E., Gannett Fleming, Inc.
Jason McBride, P.E., Gannett Fleming, Inc.
Ron Stout, Esq., Bond Counsel
Mike McCaig, Janney Capital Markets
Joe Sporer, Sugarcreek Borough Manager
Jeremy Johnson, Venango Newspapers, Inc.

Mayor Baker called the meeting to order at 4:13 PM.

BIDS FIBER OPTIC PROJECT

Mrs. Jamieson reported the City had received two separate contracts associated with the 10 gig wave service that is planned for connection at the Franklin Professional Building, located at 150 Prospect Avenue.

Resolution No. 78 - The first contract deals with the physical connection of the 10 gig service to the Professional Building. The City's consultant, Abe Hobson, met with the low bidder, walked the project and feels comfortable that they have the expertise to carry out this project. Therefore, it was staff's recommendation that the contract be awarded to JLR CATV, Inc., in the amount of \$13,265.85. Mrs. Fletcher moved and Mr. Lyons seconded a motion to award the Fiber Optic Connection Project to the low bidder, JLR CATV, Inc., of Albion, PA, in the amount of \$13,265.85. Motion passed unanimously.

Resolution No. 79 - The second contract deals with the planning and preparation of the area in the basement of the Professional Building that will house the Point of Presence and which will be the area that, the City hopes, to have other internet and server companies rent rack space from Sting (our project partner). Mrs. Jamieson reported the City had sought out firms with experience with this type of infrastructure. Two bids had been received with staff recommending that the lowest bid, from Amos Rudolph, a local architect, be awarded in the amount of \$8,420. Mrs. Fletcher moved and Mr. Marshall seconded a motion to award the second project facet to the low bidder, Amos Rudolph, Franklin, PA, in the amount of \$8,420. Motion passed unanimously.

PAVING DISCUSSION/SELECTIONS - Resolution No. 80

Mr. Gabrys reported that, after meeting with Terry Ruditis, Street Department Supervisor, it would be his recommendation to do the following:

- Use Parking Meter Sinking Fund monies to pave Parking Lot C.
- Use Professional Building monies to pave areas of parking up at the Professional Building.
- Reprogram FY-2011 CDBG funds that are leftover from the Miller-Sibley Pool Slide Project and Demolition to mill and pave the 400 and 500 blocks of 13th Street.
- Use Liquid Fuels to: finish paving the 1000 block of Buffalo Street; do the 1100 block of Chestnut Street, and bid out the 1000 block of Chestnut Street, as an alternate.

Mr. Lyons moved to approve the paving projects recommended by City staff. Mrs. Fletcher seconded a motion, which passed unanimously.

FY-2011 CDBG PROGRAM PROPOSED MODIFICATION - Resolution No. 81

Mrs. Jamieson requested the following: 1) City Council approve the FY-2011 modification to delete the Demolition activity and to add the Street Improvements activity; and, 2) approve the budgetary transfer of the leftover monies from the Pool Slide Project and the monies from Demolition into the new Streets activity. Mr. Wood so moved. Mr. Lyons seconded the motion, which passed unanimously.

SEWER RATES DISCUSSION - Resolution No. 82

Mr. Gabrys informed the Council that the sewer rate discussion at the last meeting did not include wage or medical increases for employees. As a result, the projected rates did not reflect a true picture of what might be necessary.

Mr. Marshall questioned why the Authority needed to hire Gannett Fleming, Inc., an engineering firm from Pittsburgh, when they were able to get the work done with a local engineering firm since its inception. Mr. Lord reported that, due to the magnitude of work being mandated, a larger firm with the resources to complete the work, such as televising all

the City's sewer lines, was needed. Mr. Marshall asked if it would be possible to put those pictures on the City's website. Mr. McBride advised that it was and might actually act as a public education program, though there was concern that people might not understand what they're looking at. In response to prompting by Mr. Marshall, Mr. Lord then reiterated the most urgent projects listed at the last Council meeting, noting that several of them were currently underway.

Mrs. Fletcher moved to increase the sewer rates by \$2/month beginning in July 2013 and to address the issue again in January 2014. Mr. Wood seconded the motion. Council was then informed that, due to the actual financial needs, the \$2/month increase would not be enough. The breakdown for the proposed \$44.62 monthly rate was as follows: Rate \$18.24 • Debt Service 12.35 • Capital Reserves \$12.03 • Capital Projects \$2, and the rates would need to be increased by \$4.87/month. Mrs. Fletcher withdrew her motion.

Mr. O'Polka reported that, because of the \$10 million in renovations, repairs and replacements needed between now and 2021, the City will have to continue to raise sewer rates over as many as the next seven years, and borrow heavily in order to meet those cost needs. Mr. O'Polka provided a schedule of rate increases depicting the next seven years; however, cautioned that those rates could increase or decrease depending on how inflation plays out, as well as what happens with health costs and other employee-related expenses.

Mrs. Fletcher then moved to increase the sewer rates by \$4.87 effective July 2013, and to address the issue again in January 2014. Ms. Horne seconded the motion, which passed 6-1, with Mr. Wood voting "no."

Mr. McCaig, Managing Director of Public Finance for Janney Capital Markets, advised the members of several ways the City could refinance the current debt service and bond issues, and how it might go about financing and borrowing on future projects. He advised the Council that interest for bond issues is currently low at about 2.89%. However, he suggested Council act fast in order to secure the low rate. Mr. Gabrys indicated he was currently researching other funding streams in order to possibly reduce the up-front costs as much as possible. He indicated he hoped to have that information at Council's June meeting.

Mr. Spaid cautioned Council that once they commit to refinancing, there will be no choice but to continue to raise the rates yearly in order to meet the debt service and to match the inflation rates.

ANY OTHER BUSINESS

A special meeting was scheduled between City Council and the Historic Architectural Review Board [HARB] for May 30, 2013 @ 2 PM, to hear Bill Callahan, State Bureau of Historic Preservation, provide guidance on writing guidelines for historic preservation.

ADJOURNMENT - Resolution No. 83

There being no further business to come before the Council at this time, Mrs. Fletcher moved and Mr. Marshall seconded a motion to adjourn the meeting at 5:03 PM.

Respectfully submitted,

Darla Hawke, Recording Secretary